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ORGANISATION FOR EUROPEAN
ECONOMIC CO-OPERATION

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Paris, 6th December, 1950.

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Or. Fr.

COUNCIL

POSITION OF NORWAY WITH REGARD TO
THE 60% STAGE OF LIBERALISATION OF TRADE

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Proposals of the Managing Board of the E.P.U.

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(Cover note by the Secretary of the Council)

1. At its 3rd Session, from 30th November to 2nd December 1950, the Managing Board of the European Payments Union took note of the Report of the Special Restricted Committee charged with examining the position of Norway with regard to the 60% stage of liberalisation of trade [Doc. C(50)348].

2. The attached report, containing the proposals of the Managing Board on this question, formulated in accordance with Article 1, paragraph 19, of the Mandate of the Managing Board [Doc. C(50)255 final], is submitted to the Council for CONSIDERATION.

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POSITION OF NORWAY WITH REGARD TO
THE 60% STAGE OF LIBERALISATION OF TRADE

Proposals of the Managing Board of the E.P.U.

1. At its third session, held in Paris from 30th November to 2nd December, 1950, the Managing Board of E.P.U. took note of the Report drawn up by the Special Restricted Committee appointed to examine the situation of Norway with regard to the 60% stage of liberalisation of trade [U(50)348].
2. The Managing Board gave particular attention to Norway's debtor position in Europe, a position moreover which has been recognised by the allocation to Norway for the financial year 1950-51 of an initial credit balance of 60 million units of account. The deficits resulting from Norway's import and investment programmes have not only appeared during the first four months of operation of the E.P.U. but had already appeared during the eighteen months of operation of the Agreements for Intra-European Payments and Compensations. Any factor likely to increase these deficits necessarily preoccupies the Managing Board. Although Norway's present position with the Union is not a disquieting one, the Managing Board fully agrees with the Special Restricted Committee that the Norwegian Government is within its rights in invoking the provisions of Article 3(a) of the Code of liberalisation.
3. The Managing Board is also of opinion that the members of the Union should be ready to undertake reasonable risks in the interests of the task of trade liberalisation. Although it is not up to the Managing Board to give a judgment on the figure of 40% liberalisation in the sector of manufactured goods recommended by the Special Restricted Committee, it considers, nevertheless, that the Norwegian Government could, in present circumstances, be invited to re-examine its liberalisation effort.
4. In view, however, of the difficulty of arriving at any exact assessment of the risk to which the Special Restricted Committee draws special attention in its conclusions, the Managing Board considers that, if the Council adopts these conclusions, the Organisation should be enabled to follow the Norwegian position

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with the Union as it develops and, in this connection, thinks it proper to make the following suggestions:

- (a) The Norwegian Government should report to the Organisation by 1st February, 1951, the additional measures of liberalisation which it proposes to take in accordance with the decision which the Council will be led to take in the light of the conclusions of the Special Restricted Committee;
- (b) If, in this report, the Norwegian Government states that it is unable to implement the provisions of that decision in full, the Norwegian case should be examined immediately by the same Special Restricted Committee.